

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CMMB VISION HOLDINGS LIMITED
中國移動多媒體廣播控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 471)

DISCLOSABLE TRANSACTION

Equity Transfer Agreement
and
Formation of “GMG-CMMB” China Joint Venture

SUMMARY

The Company is pleased to announce that on 29 January 2016, the Group entered into the Equity Transfer Agreement with GMG, pursuant to which the Group will transfer 51% of the equity interest in 國廣中播傳媒技術有限公司 GMG-CMMB Media Technology Co. Ltd (hereafter referred as “**GMG-CMMB**”), its wholly-owned China subsidiary, to GMG according to the terms and subject to the conditions set forth in the Equity Transfer Agreement. The Agreement has effectively formalized GMG-CMMB as a joint venture company between the Company and GMG for operating satellite mobile multimedia in China.

As a part of the strategic cooperation between the Group and GMG, GMG will together with the Company procure for GMG-CMMB all necessary regulatory licenses and approvals, such as L-band satellite frequency landing rights, media broadcasting rights, content access and distribution rights, and related media resources, so as to enable GMG-CMMB to operate satellite-based mobile multimedia services in China with official capacity.

In addition, the Group will allow GMG-CMMB to utilize its L-band spectrum capacity from its AsiaStar and future Silkwave-1 satellite platform with certain exclusivity through commercial arrangements to be negotiated at a later stage.

GMG-CMMB's primarily strategic objective is to become the owner and operator of China's first satellite-based mobile broadcasting platform, providing unique multimedia services such as mobile video, audio, Internet data for mobile consumers and vehicles with unprecedented high-quality, low-cost, and ubiquitous coverage, which the Group and GMG will strive to achieve by their strategic cooperation through GMG-CMMB.

SERVICE COMMENCEMENT

It is expected that GMG-CMMB will commence a trial service with vehicles in China in the next few months, subject to obtaining the relevant regulatory approvals. It plans to offer enhanced digital audio-radio service (DARS) such as bundled radio, video, and Internet data services, and precision-navigation of below one-squared-meter accuracy. The services can be received by built-in or portable in-vehicle devices and can be re-transmitted via built-in WiFi to other passengers or mobile device nearby, thereby extending and jump-starting mobile multimedia services to consumers.

DARS is a proven business model with great success in the US as operated by Sirius XM, with approximately 29 million subscribers and market revenue approximately USD 4.5 billion.

The Company will be the first-mover in China to offer enhanced DARS, with more advanced technology and in a much larger market, where there is still no digital radio services available. China is expected to overtake US to become the largest car market in the world with 260 million this year growing to 400 million in less than 10 years. It also has the most connected cars in the world and in-car media and entertainment spending is expected to reach USD 37 billion by 2019.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENT

Mobile media data services are among the fastest growing areas in the world and particularly in China and Asia given their huge population and rapid Internet development. However the bottleneck is the insufficiency of the conventional mobile delivery network such as 3G/LTE. The Group's L-band mobile satellite infrastructure is capable of directly reaching billion of users in the region, thereby bypassing the limitation of mobile network to directly reach billions of users simultaneously with low-cost, high-quality, and abundant services, that otherwise not possible.

GMG-CMMB will integrate the Group's unique L-band satellite infrastructure that spans across Asia with GMG's vast media franchise and operating capacity in China

internationally to create a collaborative platform that will offer unprecedented mobile multimedia and Internet broadcasting services to China and later the “One-Belt-One-Road” countries in Asia, which will greatly expand the Group’s opportunities and create significant profit potential.

The Directors are of the view that the Equity Transfer Agreement has been entered into on normal commercial terms and that the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Shareholders as a whole.

PRINCIPAL TERMS AND CONDITIONS OF THE EQUITY TRANSFER AGREEMENT:

Parties: (i) CMMB Silkwave as the seller; and (ii) GMG as the purchaser.

Subject Matter: Pursuant to the Equity Transfer Agreement, CMMB Silkwave agreed to sell and GMG agreed to purchase 51% of the equity interest in GMG-CMMB.

Consideration: The monetary consideration is RMB1 for the transfer of 51% of the equity interest in GMG-CMMB.

While the monetary consideration is nominal, the Group’s entering into the Equity Transfer Agreement was primarily based on GMG’s ability and commitment to obtain the relevant licences and approvals.

The amount of equity interest in GMG-CMMB to be transferred to GMG was determined based on arm’s length negotiations between the parties thereto taking into account a number of factors including the business prospects, the significance of acquisition of all satellite and mobile multimedia business related licensing approvals from government and regulatory authorities by GMG as well as GMG’s supervision over the contents authorization and control over the broadcasting operations, the future synergies to be derived by the Group after the successful integration and the reasons and benefits to be derived from GMG-CMMB as described below.

Obligations:

The Group will provide frequency usage of AsiaStar and Silkwave-1 satellites and all related satellite assets, technology, and related resources to GMG-CMMB to empower GMG in applications their L-band frequency usage rights in China as well as procurement of other licensing and permits necessary to operate the satellite mobile multimedia service in China.

GMG will promote and support the business development of GMG-CMMB, committing to coordinate the application of the related satellite mobile multimedia broadcasting content license, the frequency license for the AsiaStar and Silkwave-1 satellites and uplink facilities licensing and get all the resources authorized by the approval authority to be used by GMG-CMMB. GMG agree that GMG-CMMB will be the only satellite terrestrial mobile multimedia broadcasting services platform to conduct the terrestrial mobile multimedia broadcasting service in China.

Conditions Precedent:

Completion of the Equity Transfer Agreement is conditional upon among others, (i) satisfactory due diligence on the legal and regulatory requirements; (ii) all requirements under the Listing Rules have been satisfied or waived, as the case may be.

The Company is entitled to waive any of the conditions precedent to the completion of the Equity Transfer Agreement except for conditions (ii) above.

Warning: Shareholders and potential investors should note that the formation of GMG-CMMB and the Equity Transfer Agreement may or may not proceed to completion. Shareholders and potential investors should exercise caution when dealing in the Shares.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under the Listing Rules with respect to the formation of GMG-CMMB exceed 5% but are less than 25%, the formation of GMG-CMMB contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements as set out in Chapter 14 of the Listing Rules.

INFORMATION OF GMG-CMMB

GMG-CMMB was established by the Group under the laws of the PRC with limited liability on 24 August 2015. As at the date of this announcement, GMG-CMMB has been starting up its business by setting up its office and staff employment. The initial registered capital of GMG-CMMB is approximately US\$16.5 million, out of which approximately US\$2 million has been paid up. The Group will pay up any outstanding registered capital in full.

Based on its management accounts, the unaudited net loss of GMG-CMMB before and after tax since its date of establishment to 31 December 2015 is approximately US\$315,000 and the unaudited net assets is approximately US\$1.64 million.

INFORMATION ON GMG

GMG is established as an operation platform of operating resources by China Radio International (“CRI”) and China International Broadcasting Network station (“CIBN”) to facilitate the international station to be built into a modern integrated and new international media Company. GMG, based on operating resources of the international station, is engaged in the integration of media resources, and investment and development together with operation and management of media service business, equipped with all media operating resources spanning across broadcasting, internet, television and other medias, and is an ultimate controller of Huawen Media Investment Corporation (華聞傳媒投資(集團)股份有限公司) (Stock Code: 000793).

It comprises the following subsidiaries: 國廣聯合 (domestic broadcasting business), 國廣東方 (internet television operation business of CIBN), 國視通訊 (mobile television operation business), China.com (中華網) (operation of China.com), 國廣環球在線 (operating business of international online websites), 環球天地 (video business), 環球瑞視 (professional shopping channel business), 國廣文化 (satellite television business), 國廣盛世 (world wonders digital channel business), 國廣高科 (audio technology business), 亞太東方 (digital media technology business and data transmission), 國廣星空 (Dopool operation business), 國廣調查 (consultancy and training business), 國廣資產 (equity management business for listing companies).

To the best of the Director’s knowledge, information and belief having made all reasonable enquiry, GMG and its ultimate beneficial owner(s) are third parties, independent of the Company and its connected persons (as defined under the Listing Rules).

INFORMATION ON THE COMPANY

The Company is a next generation mobile multimedia network and service provider. It deploys mobile digital broadcasting technology via satellite and terrestrial transmission to provide low-cost, high-quality, and ubiquitous multimedia and data services to mobile users. The Company has acquired the user right and is under planning to acquire the geosynchronous satellite AsiaStar platform and its 40 MHz of L-band spectrum covering over 4 billion people across Asia. With the AsiaStar infrastructure the Company intends to develop a next generation mobile multimedia delivery infrastructure serving China as well as the Asia One-Belt-One-Road countries.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“CMMB”	China Mobile Multimedia Broadcasting, a digital mobilemultimedia technology developed by and currently commercially deployed in China under the SARFT. It can deliver digital mobile television and multimedia contents via both terrestrial and satellite networks directly to mobile and wireless devices such as smartphone, tablet, pocket television, lap-tops, automobile digital receivers and personal media player that are equipped with a CMMB—enabled chipset. Its broadcast oriented delivery can render data contents to be received anytime anywhere with enormous scale and cost efficiency and encounter no traffic interruption or bandwidth squeeze typical of today’s unicast-based cellular network. The signals can be received over 350 kilometer/hour without distortion. The technology is alsoknown as sTiMi (Satellite and Terrestrial Interactive Mobile Infrastructure”)
“CMMB Silkwave”	CMMB Silkwave Holdings Limited, a company incorporated in Hong Kong, a wholly-owned subsidiary of the Company

“Company”	CMMB Vision Holdings Limited, a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Equity Transfer Agreement
“Director(s)”	the directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement entered into between the CMMB Silkwave as the seller and GMG as the purchaser with respect to the transfer of 51% of the equity interest of GMG-CMMB.
“GMG”	Global Broadcasting Media Company, a company established under the laws of the PRC and is wholly owned by China Radio International under SARFT
“GMG-CMMB”	GMG-CMMB Media Technology Co., Ltd. 國廣中播傳媒技術有限公司, formerly known as CMMB Information Technology Co., Ltd. 中播(北京)信息技術有限責任公司, a company established under the laws of the PRC and is currently 100% held by CMMB Silkwave
“ Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement excludes Hong Kong and Taiwan
“SARFT”	the State Administration of Press, Publications, Radio, Film and Television of the PRC
“Share(s)”	ordinary shares of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“US” the United States of America
“US\$” US dollar, the lawful currency of US
“%” per cent

By order of the Board
CMMB Vision Holdings Limited
Wong Chau Chi
Chairman

Hong Kong, 29 January 2016

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. WONG Chau Chi and Dr. LIU Hui; two non-executive Directors, namely Mr. CHOU Tsan-Hsiung and Mr. YANG Yi; and three independent non-executive Directors, namely Mr. WANG Wei-Lin,